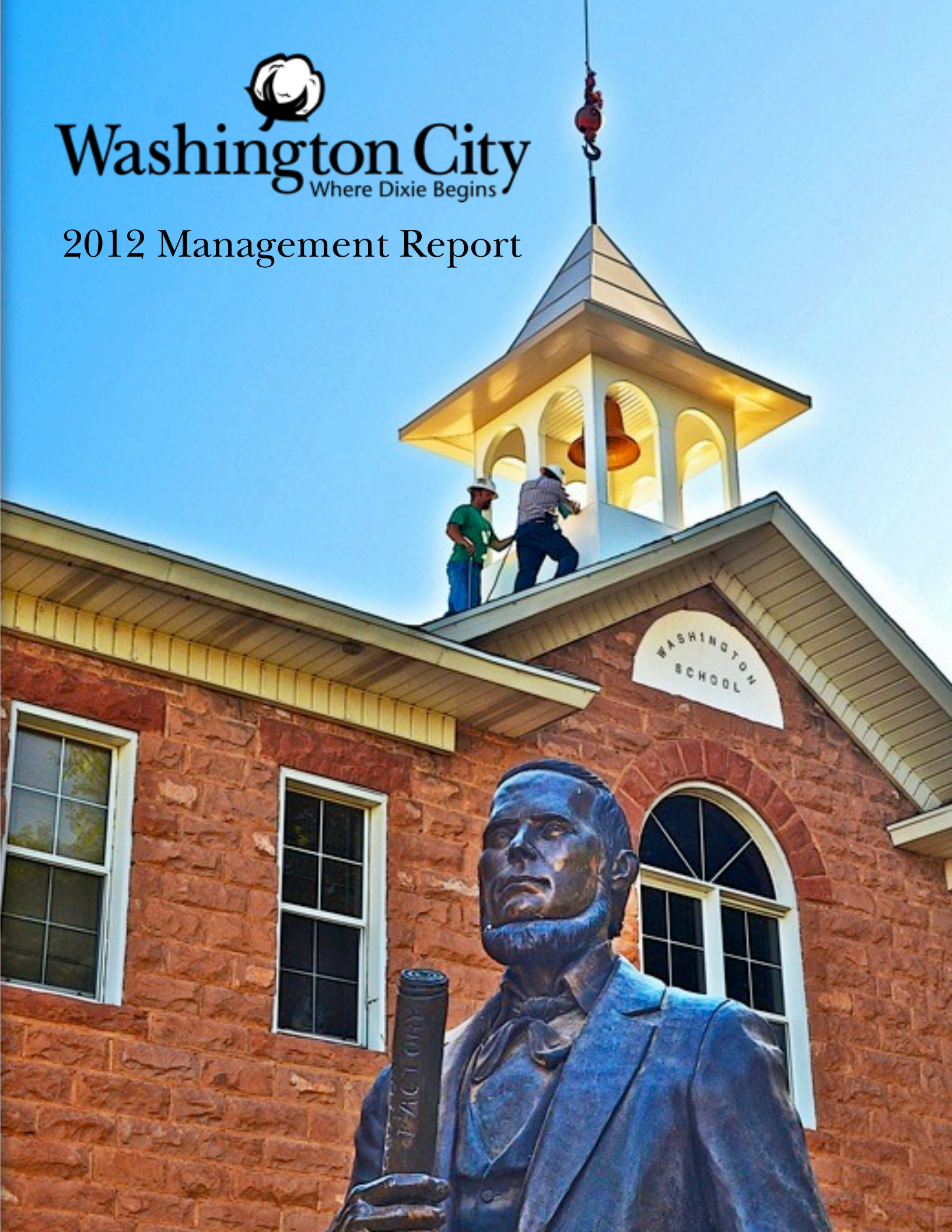




Washington City
Where Dixie Begins

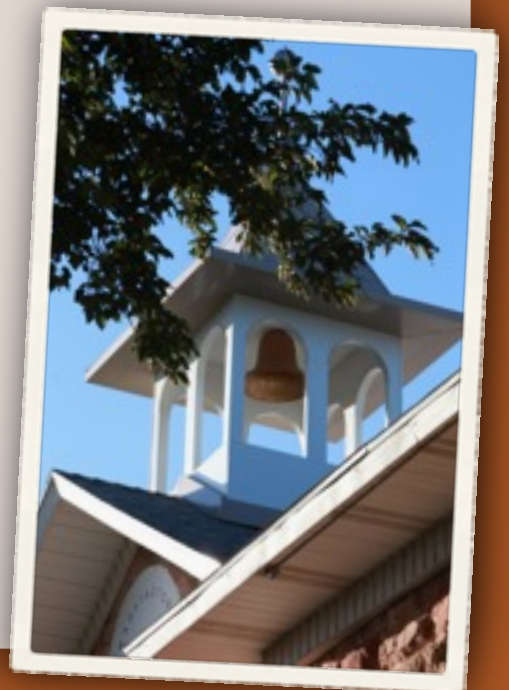
2012 Management Report



Dear Mayor & Council:

The year 2012, was a good year for Washington City and continues to renew our hope in an improving market and economy. It is our belief that the foreseeable challenge is behind us and that we are now in a process of recovery. We are braced for a long and sustained improvement in the economy which simply means that the we continue to manage our community with conservatism and prudence. There is discussion by some that this new restrained economy and conservative governance is the new “norm” and that we have to do business different than we did during the “boom and bust” years. If this is true, we are comfortable with this approach as we have always felt that local government is a provider of services and that the best form of government is one that impacts our citizens the least. As a local government our objective is simple, to provide the services requested by our citizens that improve the public good and do so in the most effective and efficient way possible. The challenges of the last few years have reminded us of these objectives and values and helped us to refocus upon them. The improving economy will allow us to have the resources necessary to provide the best service possible centered upon those values.

We are proud of how well we have fared through this challenging economical and political climate. We have kept cash flow positive and sustained strong fund balances. We have re-aligned the organization and departments to more fully reflect the



market. Unfortunately we have had some layoffs but in many cases we were able to find other employment for these individuals. We have continued to invest in the infrastructure of our community and enhance the services provided. We see economic markets that are improving, which gives us confidence for a bright future.

There is hope with our employment in the local area. In March 2012, Washington County had an unemployment rate of 7.6%. Although this rate is still high, it has come down from a high of 9.3% over the last year and a half. This is still above the state unemployment rate of 5.8% but much better than the national rate of 8.2% (Utah Department of Workforce Services, Localinsights, July 2012). Utah continues to be a state that leads the nation in job creation. Washington County will benefit from that. The housing market has been stubborn, with home sales in June 2012 rivaling those of 2011, with an average sales price of \$185,604. The good news is that home values are improving as inventory decreases and the number of homes in foreclosure status have decreased substantially over the past year (St. George Utah Housing Market Conditions–July 2012).

Growth Rate

As new housing permits in the county slowly begin to rise, Washington City leads the pack. In 2012, Washington City issued 331 permits on new construction. This compared to 333 permits from the previous year. This number of permits reflect a 3% growth rate and an increase in population of over 900 citizens. We truly believe that our goal of being a “city of choice” is seeing its fulfillment. We do not anticipate any change in this growth trend.



Our sales tax numbers continue to be very impressive and trending very positively. We had our third highest year of sales tax collection in the last seven years. Sales tax increased this year by an impressive 9.4% over last year. This is the third year of improving tax numbers. We are below our peak sales tax collection year by only 5% or \$157,000. We anticipate that we may pass this mark by next year. We currently have approximately 97,000 square feet of industrial, commercial and retail space available in our community.



Community Development Department

Speaking of growth, I wanted to highlight the Community Development Department this year. This department rarely receives any recognition and when it does it is usually in a negative light. This department has the responsibility of handling all land use and building issues, including: planning and zoning, land use decisions, appeals, conditional permits, special event and temporary use

permits, signage applications and compliance, plan reviews, building permits, and working with the Planning Commission and Council. The department has many large and varied responsibilities. Often times they are seen as the department that says “no” but in fact they work very closely with our citizens to try and accommodate their requests. This is evidenced by the number of permits and applications that have to go through this department and the number that are successfully approved.

This department runs very efficiently. When the downturn in the housing market began, Washington City anticipated a downturn in housing permits and cut the permitting and inspection department by half. At the time this was felt to be not only prudent but gave us time to find alternative positions for the laid off employees. The problem that arose was that our permits did not reduce by what was anticipated. In our peak year 2006, we issued 510 new single family permits, since then we have annually issued well over 300 permits per year. Each of these permits

require a plan check, which is done in-house. And each of these permits are composed of between 14–20 inspections, for a total of 4,662–6,660 per year. This does not include the reviews and inspections needed for additions, garages, pools, walls, etc. On top of that our inspectors are available each day to answer questions and resolve problems with our citizens.

Our current department consists of a community development director, a zoning technician, a secretary and two building inspectors/plans examiners. In spite of this small staff our plan reviews average less than 10 days and most inspections are completed within 24–36 hours. Any additional demand upon this department would require expansion from current staffing levels.

We are proud of the work that this department does! Their efforts often go unheralded but are crucial to a well-developed and vibrant community. It has always been our philosophy, with this department, that “quality above quantity will always drive quantity.” This has proven to be true as our building numbers show that we are a city where people want to live as we have attracted high quality contractors with solid reputations.

Storm Water

This may seem like an odd department to highlight this year but the management of storm water is an important service we provide in the community; especially in this desert climate that is subject to heavy silt and flash-flooding.



In 2007, Washington City passed an impact fee ordinance and monthly surcharge to handle storm water issues. We felt that this was important as our community was growing so fast and while we had the opportunity to address these issues early on in that growth. We have watched as other towns, who have not addressed these issues, have coped with flooding issues.

Within the past few years we have completed a major backbone to our storm water system by constructing the Washington Fields outfall line. This was a \$3 million dollar project and will collect all of the water from the new and existing subdivisions and basins in the fields and safely and effectively discharge those. We also did a major renovation on the 300 East storm water system. This system catches water from Telegraph and east of 300 and safely discharges into the new Sullivan Virgin River Soccer park and ultimately into the Virgin River. With the enhancements on Telegraph we also constructed a major storm water line to take water from Telegraph street northward and outfall into Millcreek.

Along with major construction projects associated with our storm water system we have implemented necessary improvements to comply with Sanitary Storm Water System requirements (MS4) of the Clean Water Act. These requirements overseen by the Environmental Protection Agency include Elicit Discharge rules and Post-Construction sediment control. Washington City is in compliance with all federal and state regulations governing storm water.

Washington City recently joined with the other communities of the county in the creation of the Washington County Flood Control Authority. This organization is tasked with regional planning and maintenance of our flood control structures.

It may seem strange to say we are proud of the work we have done with managing storm water, but the efforts of this department have protected homes and property as well as improved the quality of our natural waterways and drainages.



These are only but a couple of the many highlights we have had during 2012. We are as proud today of what we have accomplished as we ever have been. It is during challenging times that a communities character is tried and we believe that our community has had some of its best hours during these difficult moments. These good but challenging moments are a recognition of the great citizens we have, the dedication and competency of our staff, and the wisdom and direction we receive from the Mayor and Council. We look forward to a bright future as this partnership continues.

Sincerely,

Roger Carter
City Manager



2012 Department Accomplishments

General Fund

This year's General Fund decreased by slightly less than 1% compared to 2011. This reduction was due to a continued slow economy and reduction in city expenditures.

IT/GIS

- Deployed VPN to mobile workers
- Ipads to mobile workers
- Developed SMS paging system
- Geo-coded water meters

Human Resources

- Created new employee orientation program
- New software and training video for employee reviews
- Surveyed staff on training needs
- Prepared on-line application submission

Leisure Services

- Opened "Dog Town" dog park
- Completed the Sullivan Virgin River Soccer Park and Fishery Phase-1

- Landscaped Telegraph improvements and streetscape



Community Center

- Increased daily revenue by 11%
- Received 2012 Best of State for recreation facilities
- Received 2012 Department of the Year-Utah Parks and Recreation
- Created new VIP program

Justice Courts

- 2,983 court cases filed with 2,146 cases disposed
- Improved upon the electronic processes for customer service.
- Enhanced paperless court procedures

Public Safety Department

- Have provided automatic defibrillators in 98% of patrol vehicles
- Exercised the emergency operations plan with several exercises this year
- Targeted nuisance areas with code compliance
- Implemented Volunteers in Public Safety (VIPS) program
- Successfully separated police, animal control, and code compliance from fire services
- Responded to 7,427 police service calls.
- Code Compliance responded to 758 calls for service
- Animal welfare services responded to 868 calls for service

Recorder's Office

- 240 business licenses were issued this year
- Reorganized historical master plans/studies and budget documents in safe
- Completed and filled 59 GRAMA requests

Treasurer's Office

- Began investment of city funds and established Investment Committee

- Enhanced fraud measures throughout the city
- Improved collection process on past-due accounts



Administrative Services

- Received the Government Finance Officers Distinguished Budget Presentation for fourth year
- Implemented electronic purchase orders with city departments
- Conducted customer satisfaction service survey with utility customers
- Placed Washington City on the Utah State financial transparency site
- Processed 12,655 invoices and managed 4,372 utility work orders.

Community Development

- Issued 331 new single family permits and 420 total building permits
- Approved 90 land-use changes
- Introduced the Agri-Business zone for adoption
- Initiated customer satisfaction survey

- Completed Telegraph construction
- Completed Washington Fields Road phase 5

Water Fund

This years water fund saw an investment in capital of \$223,685; this represents 5% investment to revenue. This investment included the rebuild of the chlorination room at the treatment facility and the rebuilding of Grapevine well #2. Impact fees this year were up 1% over last fiscal year, due to new single family home growth.

Accomplishments

- Processed 187 citizen requests with an average completion time of 2 days
- Processed 1,108 utility department work orders with an average completion time of 1 day
- 1,326 work orders were processed with an average completion time of 2 days
- Completed East Regional Pipeline & pump station design
- Re-built chlorination room at treatment plant
- Re-built Grapevine Well #2



Streets Department

- Crack sealed 28.3 mile.
- Slurry sealed 4.2 miles
- Over-layed 1.5 miles
- Swept 4,694 miles
- Processed 50 citizen requests with an average completion time of 11 days
- Completed 2,438 work orders with an average completion time of 2 days
- Constructed dog park parking lot

Sewer Fund

This years sewer fund saw no investment in capital. Impact fees this year were down 3% from last fiscal year.

Accomplishments

- 1,521 manholes cleaned
- 65,548 lineal feet of sewer line cleaned
- 26 citizen requests with an average completion time of 2 days
- 1,122 work orders with average time to complete of 1 day
- 4,687 lineal feet of sewer inspected with camera

Electric Fund

This years electric fund saw an investment in capital of \$330,575; this represents a 3% investment to revenue. The majority of this investment was in new Buena Vista distribution feeder and in the upgrades to Telegraph street. Impact fees this year were up 20% over last fiscal year as new growth has occurred North of the Virgin River.

Accomplishments

- Completed the Buena Vista distribution feeder

- Began receiving 5 year power resource
- Completed lock-in for 3 year natural gas purchases for peaking power
- Completed earthwork for new generation facility



Irrigation

- 24,500 lineal feet of irrigation system maintained
- 30 citizen requests with an average completion time of 6 days
- 96 work orders with an average completion time of 1 days
- Created comprehensive master water list with districts

Storm Water

This years storm water fund saw an investment in capital of

\$93,474; this represents 10% investment to revenue. This investment included finalizing the Washington Fields storm water project and silt removal in the Virgin River. Impact fees were up 56% over last fiscal year, due to growth in new subdivisions, which is when this impact fee is paid.

Accomplishments

- 5 citizen requests fulfilled with an average completion time of 10 days
- 698 work orders fulfilled with an average completion time of 2 days
- Implemented public outreach program for storm water education
- Passed post-construction ordinance

Golf Course

This year's golf course fund was down in revenues. We attribute this downturn to the lack of discretionary spending on the part of the consumer, due to the economic recession. The Council will be addressing golf course earnings in fiscal year 2013. We invested no money in capital investment this year due to the restricted budget.

Accomplishments

- Installed new course management system

Bond Fund

The year's overall indebtedness for the city was \$43,672,857, compared to last years \$44,114,876. As a percentage of revenues the debt service equals 11%. The amount of debt per capita equals \$1,959, compared to last years debt per capita of \$2,041.



2013 Goals and Objectives

- Update Capital Facilities Plans for parks, power, and public safety
- Begin construction on generation facility
- Construct Virgin River trail-head at Treasure Valley
- Begin renovations on Covington Home
- Expand Volunteers in Public Safety (VIPS) program
- Replace brush truck fleet in fire department
- Expand on paperless work flow process throughout city
- Expand use of QR technology
- Improve customer service in all front-line offices
- Finalize Agri-Business zone
- Update city safety manual
- Complete phase II of cemetery program
- Create irrigation committee
- Complete Warner Valley line relocation
- Complete Washington Fields Road construction projects
- Establish Fleet department
- Prepare Comprehensive Annual Financial Report (CAFR) for GFOA submission
- Establish charitable foundation structure of city
- Strengthen training opportunities for staff
- Establish Benefits Committee to review personnel benefits
- Analyze golf course operations
- Adopt expansion plans for city cemetery
- Adopt capital construction plan for police department

